

# INFORMATION LETTER

Not for  
Publication

## NATIONAL CANNERS ASSOCIATION

For Members  
Only

No. 599

Washington, D. C.

May 2, 1936

### WHAT'S DOING IN CONGRESS

#### House Passes Tax Bill—Senate Approves Robinson Bill—Healey-Walsh Bill Tabled

From the canners' point of view the important developments in Congress during the week were the passage of the tax bill by the House, the passage of the Robinson Bill by the Senate, and the tabling of the Healey-Walsh Bill in committee. The Senate will within a few days consider and probably pass the bill to broaden the powers of the Federal Trade Commission (S. 3744), but action by the House is not believed likely at this session.

#### TAX BILL

The House passed the tax bill on April 29th and it is now in the hands of the Senate Finance Committee, which is conducting hearings preliminary to drafting amendments for consideration by the Senate.

Three amendments were agreed to by the House before it passed the bill. The first changed from 22½ per cent to 15 per cent the flat rate on the amount of a deficit (excess of adjusted net income over accumulated earnings and profits) during a taxable year. The second was designed to make the dividend year coincide with the taxable year, thus adding, it is claimed, about \$100,000,000 to collections for 1936 that would otherwise have gone over to 1937. The third amendment was aimed at liberalizing the provision relating to dividends from foreign corporations engaged in business in the United States.

While there is still no way of telling what changes will be made by the Senate Finance Committee, the idea is gaining ground that there will be no drastic revision of the main provisions of the bill. This change of attitude, it is said, has been brought about by increasing administration pressure and by the desire to adjourn at the earliest possible moment. There is nothing to indicate definitely what the Committee's final decision will be on including excise taxes, but it is understood that witnesses will be given a chance to discuss the subject, despite the fact that no such taxes are in the bill at present. The House Committee refused to hear testimony on this point. There will be an effort to include higher income rates for individuals in the middle brackets, but the chances at the moment do not seem favorable. The Committee is hoping to submit a bill to the Senate before the end of May.

#### Price-Discrimination Bills

By an unexpected move the Senate has passed the Robinson Bill, amended by the addition of the Borah-Van Nuys Bill as a new section, thus indicating the determination of majority leaders to enact price-discrimination legislation at

this session. Had opponents of such legislation been successful in delaying Senate action until the tax bill reached the floor, there would have been little chance of passage at this session.

The amended Robinson Bill will now go to the House, where it is expected that the new Patman Bill will be offered as a substitute, with present indications pointing to its acceptance, possibly after the anti-basing-point section has been removed. When the bill goes to conference, therefore, the conferees will have before them the three principal price-discrimination bills—Patman, Robinson, and Van Nuys—and their problem will be to agree on a draft that will be acceptable to both houses. That was the purpose of the unusual procedure in the Senate of adding the Borah-Van Nuys Bill as a new section to the Robinson Bill despite the

(Continued on page 4926)

### QUARTERLY STOCK SURVEY

#### Heavy Movement of Supplies Out of Canners' Hands During First Quarter

The volume of canned corn, peas, and peaches moving out of canners' hands during the first quarter of 1936 was double that moved in the first quarter of 1935, according to the quarterly canned foods stock survey of the Bureau of Foreign and Domestic Commerce. Wholesale distributors' stocks of six principal canned foods on April 1st were 7 per cent greater than on the corresponding date in 1935.

The Bureau's report on its survey follows:

"Distributors' stocks of six principal canned food items combined were 10 per cent smaller on April 1, 1936, than on January 1, 1936. This decrease was not as large as that reported for the same period last year when a decrease of 22 per cent was recorded. The declines for the corresponding 3-months' periods of 1934 and 1933 were, respectively, 20 per cent and 15 per cent.

"Distributors' April 1, 1936, stocks were 7 per cent higher than holdings of April 1, 1935, for the six items combined. Substantial increases were reported in stocks of peas and corn, while green and wax beans and pears showed the largest decreases. Stocks of tomatoes were slightly up while peaches recorded a small decline.

"Representative groups of canners reported considerably larger stocks of peas and corn on April 1, 1936, than on the same date last year (continuing to reflect the resumption of more normal packs), fairly large increases of tomatoes and peaches, and reductions in green and wax beans and pears.

"Over twice as much peas, corn, and peaches was moved out of canners' hands during the first quarter of 1936 as during the same period of 1935, and about one-fifth more tomatoes and green and wax beans. Pears moved in about the same volume."

## INFORMATION LETTER

## COMPARISON OF STOCKS OF SIX CANNED FOODS IN REPRESENTATIVE CANNERS' HANDS

(Based on reports from same firms for each date)

| Commodity                       | Stocks sold and unsold |                       |                    |
|---------------------------------|------------------------|-----------------------|--------------------|
|                                 | Apr. 1, 1936<br>Cases  | Apr. 1, 1935<br>Cases | Change<br>Per cent |
| Peas (119 firms)                | 4,126,171              | 712,994               |                    |
| Corn (133 firms)                | 3,499,172              | 1,083,940             | +223               |
| Tomatoes (214 firms)            | 2,209,012              | 1,617,671             | +37                |
| Green and wax beans (143 firms) | 767,138                | 852,297               | -10                |
| Peaches (28 firms)              | 2,708,472              | 2,334,804             | +16                |
| Pears (38 firms)                | 1,508,561              | 1,589,150             | -5                 |

## COMPARISON OF STOCKS OF SIX CANNED FOODS IN REPRESENTATIVE CANNERS' HANDS

(Based on reports from the same firms for each date)

| Commodity                       | Stocks sold and unsold |                       |                       | Per cent of<br>Jan. 1<br>holdings<br>moved up to<br>Apr. 1 |
|---------------------------------|------------------------|-----------------------|-----------------------|--|
|                                 | Apr. 1, 1936<br>Cases  | Jan. 1, 1936<br>Cases | Apr. 1, 1936<br>Cases |  |
| Peas (119 firms)                | 4,126,171              | 7,118,605             | 42                    |  |
| Corn (134 firms)                | 3,499,172              | 6,586,699             | 47                    |  |
| Tomatoes (217 firms)            | 2,209,012              | 4,105,917             | 46                    |  |
| Green and wax beans (143 firms) | 767,138                | 2,055,424             | 63                    |  |
| Peaches (28 firms)              | 2,708,472              | 5,192,751             | 48                    |  |
| Pears (38 firms)                | 1,508,561              | 2,359,901             | 36                    |  |

Movement out of cannery hands from January 1, 1936, to April 1, 1936, expressed in percentage of movement from January 1, 1935, to April 1, 1935, was as follows:

|                     | Per cent |
|---------------------|----------|
| Peas                | 217      |
| Corn                | 230      |
| Tomatoes            | 120      |
| Green and wax beans | 126      |
| Peaches             | 232      |
| Pears               | 100      |

## COMPARISON OF STOCKS OF SIX CANNED FOODS IN HANDS OF 439 WHOLESALE DISTRIBUTORS

(Based on reports from the same firms for each date)

| Commodity           | Comparison            |                       |                    |      |
|---------------------|-----------------------|-----------------------|--------------------|------|
|                     | Representative stocks |                       | Apr. 1, 1936 with— |      |
|                     | Apr. 1, 1936<br>Cases | Apr. 1, 1935<br>Cases | Pct.               | Pct. |
| Peas                | 1,292,380             | 992,532               | +30                | +31  |
| Corn                | 1,167,446             | 953,024               | +22                | -4   |
| Tomatoes            | 1,214,733             | 1,189,517             | +2                 | -18  |
| Green and wax beans | 406,886               | 523,677               | -22                | -20  |
| Peaches             | 664,847               | 697,547               | -5                 | +5   |
| Pears               | 211,039               | 271,699               | -22                | -6   |
| Total               | 4,957,331             | 4,627,996             | +7                 | -3   |

## COMPARISON OF STOCKS OF SIX CANNED FOODS IN HANDS OF 439 WHOLESALE DISTRIBUTORS

(Based on reports from the same firms for each date)

| Commodity           | Per cent change       |                       |                             |     |
|---------------------|-----------------------|-----------------------|-----------------------------|-----|
|                     | Representative stocks |                       | Jan. 1, 1936, Jan. 1, 1935, |     |
|                     | Apr. 1, 1936<br>Cases | Jan. 1, 1936<br>Cases | to                          | to  |
| Peas                | 1,292,380             | 1,348,312             | -4                          | -27 |
| Corn                | 1,167,446             | 1,259,603             | -7                          | -26 |
| Tomatoes            | 1,214,733             | 1,464,760             | -17                         | -23 |
| Green and wax beans | 406,886               | 504,623               | -19                         | -16 |
| Peaches             | 664,847               | 659,752               | +1                          | -18 |
| Pears               | 211,039               | 248,241               | -15                         | -10 |
| Total               | 4,957,331             | 5,485,291             | -10                         | -22 |

## WHAT'S DOING IN CONGRESS

(Continued from page 4925)

fact that the two bills are in some respects inconsistent. (The Borah-Van Nys Bill was reprinted in the INFORMATION LETTER for March 28th.)

One of the inconsistencies was removed by an amendment that inserted the word "knowingly" in the Robinson provision that makes discrimination unlawful "where the effect of such competition may be . . . to injure, destroy, or prevent competition with any person who either grants or (knowingly) receives the benefit of such discrimination, or with customers of either of them." Another amendment of a similar nature was simply tacked on to the end of the Robinson Bill, reading as follows: "That it shall be unlawful for any person engaged in commerce, in the course of such commerce, knowingly to induce or to receive a discrimination in price or terms of sale, which is prohibited by this section." It is considered likely that this qualification will be retained in whatever wording the conferees agree upon, although it is not now contained in the Patman Bill.

A number of other amendments were agreed to, some for the purpose of getting certain points before the conferees and some apparently for the purpose of curtailing debate at the time. One was to make it possible for sellers to change prices readily to meet changing market conditions, thus conforming to a change already made in the House bill (see p. 4891, INFORMATION LETTER for March 28th). Another amendment to the same effect provides that nothing in the bill is to prevent "differentials which are based exclusively upon recognized changes in the market price of the product or products sold."

An amendment sponsored by milk producers was accepted, providing that nothing in the bill shall be construed to prevent "discrimination in price in the same or different communities made in good faith to meet competition." Another amendment to somewhat the same effect, also sponsored by the milk producers, reads as follows:

"Upon proof being made, at any hearing on a complaint under this section, that there has been discrimination in price, or services or facilities furnished, the burden of rebutting the prima facie case thus made by showing justification shall be upon the person charged with a violation of this section, and unless justification shall be affirmatively shown, the Commission is authorized to issue an order terminating the discrimination: *Provided, however,* That nothing herein contained shall prevent a seller rebutting the prima facie case thus made by showing that his lower price or the furnishing of services or facilities to any purchaser or purchasers was made in good faith to meet an equally low price of a competitor, or the services or facilities furnished by a competitor."

The automobile industry was much interested in the following amendment, which was adopted:

"That where such commodities are sold for use in further manufacture and in the production of a new product to be sold to the public, nothing herein contained shall prevent discrimination in price by reason of differences in quantity of the commodity sold."

Although it is possible that the conferees will not be able to agree upon a draft that will be acceptable to both Houses, it is now rather generally agreed in Washington that some measure will be passed. Those who have been following developments are divided as to whether the final act will

resemble more closely the Patman Bill or the Borah-Van Nuys, with perhaps a slight edge for the former minus the basing-point section.

#### Healey-Walsh Bill Tabled

The House Judiciary Committee has tabled the Healey-Walsh Bill prescribing labor standards on government contracts, and this action means that no further consideration will be given the measure at this session unless extraordinary pressure is exerted on the Committee, which seems unlikely.

#### Status of Other Bills

**VESSEL FOR PACIFIC FISHERIES RESEARCH.**—The Senate on April 24th passed the Johnson Bill (S. 3989) authorizing the construction and equipment of a vessel for such use in research work in connection with Pacific Ocean fisheries as the Secretary of Commerce may consider useful.

**REPORT ON AGRICULTURAL INCOME.**—On April 24th the Senate passed House Joint Resolution 553 extending from July 1st to October 1st, 1936, the date for filing the final report of the Federal Trade Commission on its investigation of agricultural income and economic condition of agricultural producers generally. The resolution has already passed the House. The investigation was authorized by resolution approved August 27, 1935.

**SOCIAL SECURITY BILLS.**—A brief resume of each of the newer bills to amend the Social Security Act will be found elsewhere under the heading "Social Security Field."

**COPELAND BILL.**—Although there are persistent rumors that the House Interstate and Foreign Commerce Committee will report out the bill to amend the Food and Drugs Act, it is still in the subcommittee, where no action has been taken to date to move it out. President Roosevelt at his press conference on Friday morning stated that it is his desire that a food and drug bill be enacted at the present session.

### SOCIAL SECURITY FIELD

#### Bills to Amend Act Introduced—Indiana Unemployment Compensation Law Approved

In the INFORMATION LETTERS of February 8th and 29th the attention of canners was directed to several bills introduced in Congress at the present session which affect the Social Security program. Since that time various additional bills have been introduced.

#### Amendments Proposed

H. R. 11062 proposes that the Federal Social Security Act be extended to include Puerto Rico. H. R. 11507 and H. R. 12136 contemplate amendments to Title I of the Act which deals with "Grants to States for Old-Age Assistance." The former would increase the payments to aged persons, one-half of which is to be paid by the United States, from \$30 to \$50, and would reduce the age required for eligibility from sixty-five to sixty years. The latter, among other things, would increase the payments to \$40 or \$60 in the case of a husband and wife.

H. R. 11558 provides that pensions payable by the United States shall in no case exceed \$2,400 per annum. H. R.

12059 would grant a monthly pension of \$15 to every citizen of the United States having an annual income of less than \$250 who receives nothing under Title I of the Social Security Act.

H. R. 11950 proposes the addition of a new title to the Social Security Act providing for grants to States for the aid of transients. S. 4266 is a similar bill.

H. R. 12077 would amend Title IX of the Act and provides that all taxes collected from employers in States having no unemployment compensation statutes shall be held in a separate trust fund. If the State enacts such a law on or before July 1, 1937, the moneys so held in trust would be paid over to the State.

#### Indiana Law Approved

On April 21 the Federal Social Security Board announced its approval of the unemployment compensation law recently enacted in Indiana. This means that employers in Indiana will be allowed to credit against the Federal taxes payments made under the State Act. Indiana will also receive grants from the United States to cover the cost of administering the law. The laws of nine States and the District of Columbia have now been approved.

### War Department Asks Bids on Canned Foods

The Quartermaster Supply Officer of the War Department with offices at 58th Street and First Avenue, Brooklyn, N. Y., has recently been issuing a number of invitations to bid on supplies for the use of the Army and the Emergency Conservation Work organizations. Notices of these invitations are not ordinarily issued sufficiently in advance of the date on which bids must be submitted to justify their being carried in the INFORMATION LETTER. Canners who are interested in receiving these notices direct from the Quartermaster Supply Officer can arrange to have their names placed on his mailing list.

On April 27th a notice with accompanying schedule was sent out asking for bids, to be opened May 13th, for a wide range of canned foods including apple butter, apples, apricots, blueberries, carrots, red pitted cherries, evaporated milk, peas, pineapple, prunes, sardines, sauerkraut, spinach, and tomatoes.

### Washington, D. C., on Eastern Standard Time

Communities in seventeen different states changed from standard to daylight saving time during the past week. Washington remains on Eastern standard time. This fact is called to the attention of members of the Association and others communicating with the Association's office, especially by telegraph and telephone.

### Necrology

Many members of the Association keep a permanent file of the INFORMATION LETTER as a record of events in the canning industry. The wish has been expressed that the LETTER include a record of the deaths of men long or prominently identified with the industry and its allied interests. In order that this may be done, it is requested that members notify the Association, by letter or wire, of deaths that occur, fur-

nishing appropriate information as to places, dates, business affiliation, etc.

During the past month there have been a number of deaths removing men long associated directly or indirectly with the industry, including:

**CHARLES T. WRIGHTSON**, at Easton, Md., April 13th, aged 85 years; pioneer canner on the Eastern Shore of Maryland, founder of the firm Charles T. Wrightson & Son, Inc.; long prominent in trade organization activities, including the Tri-State Packers Association and the earlier Peninsula Packers Association.

**LOUIS E. WEDERTZ**, at San Francisco, Calif., April 6th, aged 67; president of the Lakeside Packing Co., Manitowoc, Wisc., with which he became connected in 1909.

**WILLIAM MCEWING**, at South Haven, Mich., April 7th; president of Michigan Fruit Canners, Inc.; a pioneer fruit canner in Michigan and one of the oldest active canners in that state.

**C. N. COSCROVE**, at Mankato, Minn., April 22nd, aged 84; chairman of the Board, Minnesota Valley Canning Co.; a pioneer canner in Minnesota and founder of the present company; long active in trade association affairs.

**HENRY O'MALLEY**, at Seattle, April 24th, aged 60; for eleven years Commissioner of Fisheries in the U. S. Department of Commerce from 1922 to 1933, and associated with the fishery industry for practically his entire life.

**FREDERICK S. WHEELER**, at New York, April 24th, aged 74; chairman of the Board of the American Can Co., with which he had been associated since 1901.

### British Canned Fruit Imports

Arrivals of canned fruits in the United Kingdom during the four weeks ended March 28th were 41,800 cases greater than during the preceding week and 157,000 cases in excess of the arrivals for the corresponding period last year. Following are the figures for the three periods, as compiled by the Imperial Economic Committee:

|                | Four weeks ended— |         |               |
|----------------|-------------------|---------|---------------|
|                | Mar. 28, 1936     |         | Mar. 20, 1935 |
|                | Cases             | Cases   | Cases         |
| Apples         | 55,491            | 48,482  | 25,058        |
| Apricots       | 49,133            | 26,740  | 19,432        |
| Peaches        | 193,757           | 139,951 | 77,638        |
| Pears          | 121,013           | 158,207 | 189,806       |
| Pines          | 105,706           | 174,790 | 145,939       |
| Fruit salad    | 42,521            | 51,071  | 36,703        |
| Fruit cocktail | 3,167             | 2,029   | 2,188         |
| Loganberries   | 7,812             | 11,434  | 16,353        |
| Other berries  | 392               | 760     | 602           |
| Cherries       | 1,321             | 2,059   | 4,852         |
| Grapefruit     | 130,301           | 62,418  | 136,523       |
| Oranges        | 95,687            | 90,696  | 9,910         |
| Other fruit    | 22,806            | 18,782  | 7,263         |
| Total          | 829,187           | 787,419 | 672,267       |

### Trade Practice Conferences Authorized

The Federal Trade Commission has authorized the holding of trade practice conferences for the Douglas fir plywood industry, and the rubber tire industry. The time and place for holding the conferences is to be announced later.

### Navy Department Seeks Bids

The Bureau of Supplies and Accounts of the Navy Department, Washington, D. C., is asking for bids on canned apricots and evaporated milk for delivery at various East and West Coast points. Bids for canned apricots (schedule 7689) will be opened June 16th, and the bids for evaporated milk (schedule 7686) on May 26th. Copies of the schedules may be obtained from the Bureau of Supplies and Accounts in Washington.

### Broadcasts on Food and Drug Administration Work

Work of the Federal Food and Drug Administration will be the subject of a series of broadcasts beginning May 4th in the "Housekeeper's Chat" hour of the Radio Service, Office of Information, Department of Agriculture. Canners will be interested in the fact that the first broadcast will describe the application to the shrimp industry of the seafood amendment to the Food and Drugs Act. It is understood that nearly one million cases of shrimp had been packed under Federal inspection up to the first of the current year.

### Fruit and Vegetable Market Competition

Carlot shipments as reported by the Bureau of Agricultural Economics, Department of Agriculture

| Commodity                    | Week ending      |                  | Total for season |
|------------------------------|------------------|------------------|------------------|
|                              | April 25<br>1935 | April 18<br>1936 |                  |
| <b>Vegetables:</b>           |                  |                  |                  |
| Beans, snap and lima         | 553              | 310              | 241              |
| Tomatoes                     | 1,001            | 469              | 463              |
| Green peas                   | 359              | 348              | 246              |
| Spinach                      | 177              | 221              | 322              |
| <b>Others:</b>               |                  |                  |                  |
| Domestic, competing directly | 4,140            | 4,224            | 4,861            |
| Imports—                     |                  |                  |                  |
| Competing directly           | 22               | 8                | 22               |
| Competing indirectly         | 7                | 9                | 12               |
| <b>Fruits:</b>               |                  |                  |                  |
| Citrus, domestic             | 3,585            | 3,070            | 3,309            |
| Imports                      | 22               | 18               | 15               |
| Others, domestic             | 797              | 565              | 531              |

### CONTENTS

|   |      |
|---|------|
| What's doing in Congress                        | 4925 |
| Quarterly stock survey                          | 4925 |
| Social Security field                           | 4927 |
| War Department asks bids on canned foods        | 4927 |
| Washington, D. C., on Eastern standard time     | 4927 |
| Necrology                                       | 4927 |
| British canned fruit imports                    | 4928 |
| Trade practice conferences authorized           | 4928 |
| Navy Department seeks bids                      | 4928 |
| Broadcasts on Food and Drug Administration work | 4928 |
| Fruit and vegetable market competition          | 4928 |